

PUBLIC CHAPTER NO. 720

SENATE BILL NO. 3141

By Ketron

Substituted for: House Bill No. 3455

By Tindell, Yokley, Litz, Rinks, Strader, Matlock, Todd

AN ACT to amend Tennessee Code Annotated, Title 12, Chapter 10, Part 1, relative to public building authorities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 12-10-103, is amended by deleting subdivision (8) and by substituting instead the following:

(8) "Municipality" means any county, incorporated city or town or utility district in this state with respect to which an authority may be organized;

SECTION 2. Tennessee Code Annotated, Section 12-10-104, is amended by deleting the first sentence and by substituting instead the following:

Whenever any number of natural persons, not less than three (3), each of whom shall be a duly qualified elector of the county or of the incorporated city or town or each of whom shall be a current customer of the utility district, shall file with the governing body thereof an application in writing seeking permission to apply for the incorporation of a public building authority of the municipality, the governing body shall proceed to consider such application.

SECTION 3. Tennessee Code Annotated, Section 12-10-105(a)(1), is amended by deleting the subdivision and by substituting instead the following:

(1) The names and residences of the applicants together with a recital that each of them is an elector of the county or of the incorporated city or town or is a customer of the utility district.

SECTION 4. Tennessee Code Annotated, Section 12-10-108(a), is amended by adding the following language as new, appropriately designated subdivisions:

(3) Notwithstanding any provision of subdivision (a)(1) or any other law to the contrary, the directors of an authority created by a utility district shall be customers of the utility district and members of the board of commissioners and employees of the utility district may serve as a director.

(4) Notwithstanding any provision of subdivision (a)(1) or any other law to the contrary, the directors of an authority created jointly by two (2) or more utility districts pursuant to § 12-10-120 must either be a customer of one of the creating utility districts or a member of the board of directors of the Tennessee

association of utility districts. Such directors shall be appointed by the board of commissioners of each creating utility district with the number of directors appointed by each board of commissioners to be as nearly equal as practicable. Such directors shall be appointed so that they have staggered terms. At the time of the appointment of the first board of directors, the boards of commissioners of the creating utility districts shall divide the directors into three (3) groups containing as near equal whole numbers as may be possible. The first term of the directors included in the first group shall be two (2) years, the first term of the directors included in the second group shall be four (4) years, the first term of the directors included in the third group shall be six (6) years, thereafter the terms of all directors shall be six (6) years; provided, that if at the expiration of any term of office of any director a successor thereto shall not have been appointed, then the director whose term of office shall have expired shall continue to hold office until such director's successor shall be so appointed. The term of office of each director who is a member of the board of directors of the Tennessee association of utility districts shall not extend beyond the director's term as a director of the Tennessee association of utility districts.

SECTION 5. Tennessee Code Annotated, Section 12-10-109, is amended by adding the following subsection (d):

(d) An authority created by a utility district or jointly created by two (2) or more utility districts under § 12-10-120 shall only have the powers set forth in this section and in this chapter for projects which consist of utility infrastructure, improvements, facilities and buildings which are an integral part of a public utility's operations and which are used by a public utility in providing utility services to its customers.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: March 26, 2008



RON RAMSEY
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 10th day of April 2008



PHIL BREDESEN, GOVERNOR